

BILL ANALYSIS

Senate Research Center

H.B. 5356
By: Frazier (Paxton)
Local Government
5/17/2023
Engrossed

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

It has been suggested that an area within the corporate limits of the City of McKinney would benefit from the creation of an improvement district, due to high demand for homes in the Dallas-Fort Worth Metroplex. H.B. 5356 seeks to provide for the creation of such a district.

H.B. 5356 amends the Special District Local Laws Code to create the Honey Creek Improvement District No. 1 to provide certain improvements, projects, and services for public use and benefit. The bill provides for, among other provisions, the following:

- the annexation or exclusion of district land;
- disbursement or transfer of district money;
- the division of the district; and
- the dissolution of the district.

The district's powers and duties include, subject to certain requirements including consent of the city and the request for a service or improvement by petition, the authority to the authority to borrow money, issue obligations and impose assessments and liens. The bill prohibits the district from imposing property taxes and exercising the power of eminent domain.

H.B. 5356 amends current law relating to the creation of the Honey Creek Improvement District No. 1, provides authority to issue bonds, and provides authority to impose assessments and fees.

RULEMAKING AUTHORITY

This bill does not expressly grant any additional rulemaking authority to a state officer, institution, or agency.

SECTION BY SECTION ANALYSIS

SECTION 1. Amends Subtitle C, Title 4, Special District Local Laws Code, by adding Chapter 3796, as follows:

CHAPTER 3796. HONEY CREEK IMPROVEMENT DISTRICT NO. 1

Sets forth language for the creation of the Honey Creek Improvement District No. 1 (district). Sets forth standards, procedures, requirements, and criteria for:

Creation, purpose, and approval of the district (Sections 3796.0101-3796.0109);

Size, composition, election, and terms of the board of directors of the district, including the naming of the initial directors (Sections 3796.0201-3796.0203);

Powers and duties of the district (Sections 3796.0301-3796.0311);

General financial provisions and authority to impose assessments and fees and to issue bonds and obligations for the district (Sections 3796.0401-3796.0503); and

Dissolution of the district by the board (Section 3796A.0901).

Prohibits the district from exercising the power of eminent domain.

SECTION 2. Sets forth the initial boundaries of the district.

SECTION 3. Provides that all requirements of the constitution and laws of this state and the rules and procedures of the legislature with respect to the notice, introduction, and passage of this Act are fulfilled and accomplished.

SECTION 4. Effective date: upon passage or September 1, 2023.